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ABSTRACT

This monograph analyzes trends in American educational philosophy and history in its proposal to implement an all-public statewide school voucher system. Following an introduction, section 1, "Alternative Voucher Systems," discusses three concepts: universal unregulated vouchers, favored by Milton Friedman; regulated compensatory vouchers, developed by Christopher Jencks; and "power-equalizing" vouchers. "Vouchers and Private Schools," section 2, raises the issue of religious schools. "The Administrative Dilemma in Vouchers for Private Schools," section 3, concludes that a system including religious schools is not feasible. The legal fate of vouchers depends upon the operative "child benefit" theory--that the purpose is to benefit the child, not the school. Section 4, "All-Public Vouchers," cites California as a likely candidate for a public model because of the centralization trend. Nationwide, the "excellence" movement expresses centralization, though local control remains a commitment. The trends are reconciled by state-funded vouchers with a statewide open enrollment system. A school would, as today, verify enrollment, and thereby earn its governmental income. Student mobility is handled by budgeting according to days attended. Equalizing school finance leads to free movement and dissolution of boundaries, permitting significant racial integration. Twenty-two endnotes are included. (CJH)

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FROM THEORY TO PRACTICE: CONSIDERATIONS FOR IMPLEMENTING A STATEWIDE VOUCHER SYSTEM

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INTRODUCTION

Few subjects in education have received more theoretical and less practical attention than education vouchers.¹ Though vouchers have captured the imagination of reformers on both ends of the political spectrum, experience with implementation has been almost nonexistent. Education vouchers apparently are so controversial that people have been reluctant to try them. Consequently, there have been only weak incentives to develop a practical system to implement a voucher plan. There is, however, a new set of events unfolding that provides some sense of urgency.

There is no single voucher plan, because vouchers are simply an administrative device to accomplish some larger social policy objective. (Admittedly, "administrative devices" are not neutral in their effects, but they produce second-order effects; to understand them, it is necessary first to understand what it is they are supposed to accomplish.) The purpose of vouchers is to permit "choice." In the case of education the question is, choice for what end? For all voucher theorists, choice is important because it reinforces the liberty and dignity of the individual by empowering the individual to choose. In education, the voucher recipient, rather than the bureaucrat, would decide both what to study and where to study. The reason such a choice is either desirable or appropriate is that, as Coons and Sugarman assert, "society's indeterminacy as to the child's interest has permitted us to argue for decentralizing much authority to the family level."²

Education is necessarily value-centered; it serves the needs and interests of different individuals and different communities differently. The most stirring defense of this point of view is John Stuart

Mill's. He insists that state-sponsored education is a mere contrivance for moulding people to be exactly like one another: and as the mould in which it casts them is that which pleases the predominant power in the government, whether this be a monarch, a priesthood, an aristocracy, or the majority of the existing generation, in proportion as it is efficient and successful, it establishes a despotism over the mind.³

Most voucher supporters would agree with Mill in outline, but agreement ends there. Juxtaposed to Mill's is the more traditional view of Simon Bolivar, one that is widely held in centralized states but is only infrequently expressed with such directness and vigor:

Let us give to our republic a fourth power with authority over the youth, the hearts of men, public spirit, habits, and republican morality. Let us establish this Areopagus to watch over the education of the children, to supervise national education, to purify whatever may be corrupt in the republic, to denounce ingratitude, coldness in the country's service, egotism, sloth, idleness, and to pass judgment upon the first signs of corruption and pernicious example.⁴

ALTERNATIVE VOUCHER SYSTEMS

The three broad categories into which modern voucher concepts fall are: (1) universal/unregulated, (2) regulated compensatory, and (3) "power equalizing."

Universal Unregulated Vouchers

In *Capitalism and Freedom*, Nobel laureate Milton Friedman argues that education is best left to the private sector because private education is better organized, more efficient, more economical, and more likely to be consistent with the preferences of consumers as distinct from the prejudices of providers.⁵ Friedman's argument is as elegant as it is simple. Asserting that the private sector is better able to provide high quality education, he also recognizes that private individuals are not equally able to take advantage of private education. He further recognizes that there is an overriding public interest in an educated citizenry (the benefits of education do not accrue exclusively to the individual — society benefits as well).

Accordingly, Friedman believes that the public sector should provide vouchers of minimal value to all parents of school-age children to permit them to purchase the education of their choice in the private market.

Friedman has no patience with bureaucratic control and does not support much in the way of rule or regulation of the private sector. Conceding that some irreducible minimum of regulation may be inescapable — health and safety requirements, for example — he nevertheless argues that most regulations are undesirable and counterproductive. Thus, he would permit schools to accept whomever they like and reject whomever they like, hire and fire as the spirit moves them, offer the curriculum they think best, select the textbooks they think most sensible, and charge whatever they like (or are able to) without public sector interference.

The power of the Friedman approach is its simplicity of administration and operation. Any child who could provide evidence of enrollment in a school that satisfied state compulsory attendance laws would be eligible for a state voucher. Vouchers might be mailed out annually as income tax forms are by the IRS, they might be mailed monthly as are social security checks, or they might be claimed at some distribution point. Alternatively, like social security checks, they might be mailed directly to an account identified by the recipient. School accounts could qualify, and the simplicity of this transaction would be quite efficient.

Computers and telecommunications revolutionize and simplify the administration of experimental financing methods. Very likely, vouchers would be a good deal simpler to administer than our current system of financing public schools. Administrative complexity — often alleged to be a barrier to implementation of social experiments — is not a barrier to providing vouchers as a means of school finance.

Regulated Compensatory Vouchers

The second voucher system in this typology is one developed by Christopher Jencks and his colleagues in the late 1960s, in the closing days of the Great Society.⁶ Described as a "regulated compensatory voucher system," it self-consciously and deliberately distinguishes itself from the Friedman system by its acceptance of regulation as a positive good and its emphasis on the needs of the disadvantaged. The Jencks plan, for example, does not permit

open-enrollment: if a school is popular and over-subscribed, seats are assigned by lot. Insofar as poor children participate, they would be awarded a "compensatory" voucher in addition to the basic voucher that is issued to cover the cost of core education. Compensatory vouchers have two objectives: (1) to provide more resources for children in need, and (2) to make poor children more attractive to schools and teachers.

The importance of the compensatory voucher idea is that it rationalizes the incentive structure of the school. Normally, poor students are a "liability" to the school; to learn, they need extra human and financial resources. The typical teacher prefers the easier-to-educate, "good" students. Enter compensatory vouchers: for the first time, the difficult child, the child with special needs, brings extra resources with him or her. No longer a liability, he or she is literally an asset. The institutional calculus is transformed.

Finally, the Jencks plan does not permit participating schools to charge more than the value of the voucher. In short, Jencks has attempted to compensate for what he perceives to be the weaknesses of Friedman's laissez faire vouchers plan. Jencks shows a preference for a self-consciously egalitarian voucher model. To oversimplify the case only slightly, the Friedman approach is libertarian, the Jencks approach is egalitarian.⁷

"Power-Equalizing" Vouchers

Not surprisingly, perhaps, the third major voucher variant is a Friedman-Jencks hybrid. Known as the "Coons-Sugarman" voucher plan, it attempts to maintain some of the libertarian emphasis of Friedman's while it retains some of Jencks's egalitarian emphasis.⁸ The Coons-Sugarman model is neither so simple nor so easily explained and understood as either the Friedman or Jencks model. The most complex part of the plan is also its most interesting part, something Coons and Sugarman describe as "power equalizing," a concept they have appropriated from their school finance work.⁹ It refers to a system in which individuals or schools might find ways to increase funding levels for their school without doing violence to Coons and Sugarman's notions of fairness. And fairness, it must be emphasized, is uppermost in their minds. Coons and Sugarman are concerned with the importance of money — the advantage that having it offers the well-to-do and the disadvantage its absence causes the poor. The Coons and Sugarman voucher

plan permits the ambitious — not just the wealthy — to spend more.¹⁰

VOUCHERS AND PRIVATE SCHOOLS

Implicit and explicit in each of these three major voucher systems is the idea that private schools would or could participate. This raises a very special issue, as much for reasons of custom and practice as law. The issue is religion. It is unavoidable, because more than 90 percent of the nation's private schools are religiously affiliated.¹¹ In this essay, I attempt to restrict myself to the administrative implications of including religious schools and do not deal with the legal and constitutional issues except as they have administrative consequences.

The recent decision in *Mueller v. Allen*, handed down by the U.S. Supreme Court in 1983, upheld the Minnesota system of allowing tax deductions for any educational expense, including tuition paid to denominational private schools. This decision may signal a significant shift in the Court and may presage a major shift in strategy on the part of private school aid supporters. That is, they may now be inclined to direct their energies and attention to the tax code rather than the education code.¹²

Assuming that the general drift of court decisions moves as it has in the recent past, however, it is clear that a constitutionally valid voucher system would have to meet two tests: (1) it could neither advance nor inhibit religion; and (2) it could not become excessively entangled with religious institutions as it is implemented. The First Amendment contains both a prohibition against the establishment of religion and a guarantee of free exercise of religion. Thus, as the state may not adopt a state religion, or prefer one religion to another, or prefer religion to irreligion, it may not at the same time in any way inhibit the freedom of an individual to exercise his or her own religious beliefs.

In the case of schools, this has led to a number of important decisions. *Pierce v. Society of Sisters*, for example, was an Oregon case in which the Supreme Court ruled that a child has a right to attend private school, religious or secular.¹³ In language reminiscent of Mill, the Court asserted:

The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the state; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations.¹⁴

The Court did not assert, however, that a child has a right to receive public funds to attend non-public schools. Indeed, the question of the day is whether or not a child may constitutionally accept such aid if it is offered. In this connection, it is worth noting that for many years in this country, such aid has been forthcoming.¹⁵ To this day, nearly one-third of Vermont's school districts do not operate their own schools, and resident children are given vouchers to attend other schools.

THE ADMINISTRATIVE DILEMMA IN VOUCHERS FOR PRIVATE SCHOOLS

If religious schools cannot be reasonably excluded from a theoretical discussion of vouchers, how might they be included as an administrative matter? Because of the complexity and ambiguity of the law, it is extremely difficult to design the administrative means to include them. Consider this: religious school tuitions are uniformly lower than public school costs. A voucher of equal value for all children would provide more money for religious schools than they currently propose to collect from their students. The windfall would be substantial, and even supporters of vouchers would be perplexed.

Alternatively, the voucher might be pegged to existing tuition, as long as it was less than the amount of the public school voucher. Religious schools, if they had their wits about them, would simply raise tuition to capture an amount equal to the public school voucher. This too poses "windfall" problems.

Conceptually, the solution might be that any voucher redeemed by any religiously affiliated school should be worth less than the voucher made available for children who attend public school. The reason is to develop the arbitrary but defensible position that public monies are not being used to support religion. The alternative is

ornate pedagogical and financial bookkeeping by the religious school to demonstrate that the money received is used purely for secular purposes. This approach, however, raises the specter of "excessive entanglement" as laid down by the Burger Court. Simply put, the kind of bookkeeping, auditing, and verification procedures necessary to display religious and secular activities separately would become so complex that the state would be intruding on the church's domain. A failure to sort out religious and secular activities, on the other hand, would mean unconstitutional support of religion. To illuminate the matter, imagine that a school offers a course entitled "The Bible as Literature;" many public high schools do this today. Suppose a religious school used the same course description. How would the state treat it?

To escape this dilemma, then, the legislature might decree that vouchers for religious schools be proportionally less than those for secular schools — 20 percent less, for example — to demonstrate that the legislature did not intend that the voucher be used to recover the costs of religious education. This is precisely what is done in most other industrialized democracies (though not for that reason). That is, public funds for private schooling are the rule in Canada, Australia, Denmark, Holland, France, and the United Kingdom, but full reimbursement is usually not provided. The families make up the difference between the public voucher and the private school tuition. Only in America — and Eastern block countries — is aid to religious schools prohibited.

Second, the legislature, in both its enabling statute and in its subsequent implementing statutes, must make it clear that the purpose of vouchers is to benefit the child, not the school. This fine point is both legally and pedagogically important because it establishes the primacy of the intended beneficiary. And it will be upon the slender reed of "child benefit" theory that vouchers will lean. Just as we permit public monies to be spent for babies to be born in Catholic hospitals, welfare recipients to be treated in Jewish hospitals, (former) social security beneficiaries to use public burial benefits in Baptist cemeteries, so too will the question of public aid to families who enroll their children in private schools eventually be accepted.

Lack of a Simple Administrative Remedy

Unfortunately, there is no ready administrative solution to the religious school dilemma. From an administrative standpoint, the

most obvious solution is to permit religious schools to act as the voucher bookkeeper and banker, collecting fixed-value vouchers and redeeming them from the state. As I have suggested, however, this is not likely to survive judicial scrutiny with today's Court. But the alternative, the issuance of vouchers directly to all claimants who are eligible, with no intervening religious school intermediary, leaves lower income children in the lurch.

Highly mobile, low-income youth, many of whom are minority youngsters, are precisely the population that is most in need of sound schooling, and it is precisely this population that is least likely to seek it out. They would be least likely to know about the existence of vouchers, least able to know how to secure and redeem them, and least likely to make effective use of alternatives within the system. The expedient needed to help them — let the school of attendance initiate and manage the whole voucher process — is the one administrative arrangement that the Court is likely to find excessively "entangling."

The difficulty of the present situation is absurd. The government, if it so chooses, could give every child in the nation a cash payment in any amount the Congress appropriated. It might be five, five hundred, or five thousand dollars. Indeed, cash benefits for children — family allowances — are the rule in every developed country, totalitarian or free. Such an allowance, *so long as it were not earmarked for education*, would withstand scrutiny in the U.S. As a cash grant to be used for any purpose, from drink to transportation, it would pass Court muster; similarly, if it were dedicated for food, housing, or health care, it would pass Court muster, but *not if it were for education*.

It is certainly possible that at some point the U.S. Supreme Court will hand down a decision that will put U.S. practice on a par with that of every other developed democracy in the world. That is, it will permit, without equivocation, public monies to be spent on behalf of children in private schools, secular and denominational. But precisely when such a decision will be handed down is unknown, even though a number of revisionist legal historians are agreed that the current interpretation of the Court is inconsistent with the intentions of the Founding Fathers and makes little sense as public policy.¹⁶

Regardless, the present situation calls for the two awkward expedients sketched in above to establish child benefit, not institutional benefit. For these administrative reasons, as well as the controversy

surrounding religion, a voucher system that includes religious schools is not likely to be adopted in the near future.¹⁷

Is there, then, another model, or is the debate purely academic?

ALL-PUBLIC VOUCHERS

In addition to the three major categories of voucher systems described above, another variant warrants discussion because of the administrative problems raised by voucher systems that include religious schools. It is an all-public voucher model, one in which private schools would not participate at all.¹⁸ In its most basic incarnation it is an outgrowth of public finance developments, not the product of an education reform movement. California is the most likely site for its spontaneous appearance because of two long-term trends.

School Finance Trends in California

The first trend is tax-cutting by referendum — specifically Proposition 13. The proposition's most striking effect has been to transform California into a *de facto* statewide school system. Because the implementation of Proposition 13 so seriously eroded the local tax base, California moved to virtual statewide assumption of school finance. Nearly 80 percent of the school finance burden is now borne by Sacramento (exclusive of federal funds), and the remaining 20 percent is borne by localities. Furthermore, the amount raised locally is determined and collected according to rules, regulations, and procedures set in Sacramento.

Now, state preeminence as a formal matter is not new. Local school districts have always been creatures of the state in a legal sense. But so long as most funds were raised locally, school districts enjoyed substantial autonomy. Since the money was raised and spent locally, state legislators tended to be less rather than more interventionist. But as the locus of funding control shifts to the state capital, so too does the locus of pedagogical and administrative control. The most extreme example is Hawaii, which for years has been a single statewide school system under the direction of a state board of education and run by a single superintendent of schools.

Together with the centralizing pressures of Proposition 13 are the

centralizing effects of the *Serrano v. Priest* decision.¹⁹ The *Serrano* decision requires equal expenditures for similar categories of children. It is the oldest rule of public policy — equal treatment of equals. Dissimilar children — poor, handicapped, gifted, and the like — may have dissimilar amounts spent on them, but the great majority of typical children must have the same amount of money spent on them on a child-by-child basis, statewide.

All of this would be of only academic interest were it not for the synergy inherent in the combined impact of Proposition 13 and *Serrano*. Statewide assumption of education costs, together with an equalization mandate, means equal state dollars for all similarly situated children in California. In a sense, California's school finance system already is an all-public-school voucher system.

Vanishing Local Control

The question arises: What role or rationale remains for local school boards and school districts as they are currently organized? Aside from a nostalgic attachment to their antique form, is there any reason for local school boards to be retained? In fact, the movement to a centralized state role suggests that local school boards should be reorganized and rationalized on pedagogical lines, rather than along lines suggested by historic accidents of geography or political and administrative convenience. It is worth noting that this is precisely how good private schools are organized — their enrollments have no geographic boundaries. They are organized around an idea, not a place. And in the event that distance becomes a problem, private schools frequently accept boarders.

A final major event, of more recent vintage, gives this scenario additional plausibility. It is the "excellence" movement, a product in large part of Secretary of Education Terrel Bell's Excellence Commission, which issued its report, *A Nation At Risk*, in the spring of 1983. The fall-out has been the creation of more than one-hundred "excellence commissions" across the nation, and the impact will be — is, in fact, already — more state mandates about education. State capitals across the country have already begun to lose whatever reluctance they once had to interfere in the life of the school. They will establish standards for teachers and students, they will require examinations for promotion, they will require examinations for graduation, they will change conditions of certification and salaries, they will alter the number of minutes per classroom period. In sum,

excellence as it is presently being perceived in state capitals means more centralization.²⁰

What appears to be happening "naturally," then, is the rapid movement to statewide systems of public education, without benefit of planning or organization. Juxtaposed to these centralizing financial and pedagogical trends is a strong historic antipathy on the part of most parents, teachers, and students to centralization of education. This antipathy is neither new nor romantic — there are perfectly sound reasons to support local control. The rules, regulations, and procedures characteristic of centralized systems are hostile to the education enterprise because they deny local officials — and more important, classroom teachers — the single most important attribute that professionals bring to the job: judgment. And it is precisely to suspend the exercise of judgment that rules and regulations are adopted. That is their purpose.

In addition to sound pedagogical reasons for retaining a tradition of local control, there is a powerful administrative reason. The span of control of the larger unit of organization — the state or even the large school district — is simply not able to deal effectively either with pedagogy or with the minutiae of day-to-day school operations.

Centralization, then, becomes either a fiction to which everyone pays lip service, or it becomes an onerous burden. Conversely, "subsidiarity" is used to describe the organizational necessity of decentralizing; the lowest level of an organization that is able to manage should do so. As Coons and Sugarman describe it:

[Subsidiarity is] a term uncommon to American politics but rich in potential application to any political order concerned with maximizing personalistic values. This principle holds that responsibility for dependent individuals should belong to the smaller and more intimate rather than the larger and more anonymous communities to which the individual belongs.²¹

Indeed, as modern industry and contemporary public administration theory suggest, the overall organization is strengthened when it relies on progressively lower levels in the hierarchy for guidance and direction.

Finally, there is the political reality of local control. Americans simply prefer it. We are convinced that our historic practices of small local units of government and management are essential to building and sustaining democracy.

We are, then, confronted with two major sets of trends — one

leading to increased centralization (Proposition 13, *Serrano*, and the "excellence" movement), the other historic commitment to local control. Can the two be reconciled? As I have tried to suggest, they can, but to do so requires a commitment to local control and a willingness to adopt dramatically different funding mechanisms and organizational structures. The answer is state-funded education vouchers for any child who wishes to attend public school. This means state funding of a statewide open-enrollment system, an idea that finesses the thorny administrative issues that a voucher system including private schools does not.

Because education vouchers have not been widely tried at the elementary and secondary levels, there is still hesitation about adopting vouchers of any kind, even an all-public system. Could vouchers be made to work, or would they become an unwieldy bureaucratic nightmare? In social science research there are essentially two techniques to answer such a question — a "scientifically valid" experiment, or the identification of analogous practice which informs us about the prospects for success or failure of the untried venture.

Alum Rock: an Experiment

Large-scale experimentation in the social and education realms was a staple of the 1960s and 1970s, a period in which there was boundless faith in the social sciences. As Albert Shanker, president of the American Federation of Teachers, has observed, education experiments were "doomed to succeed." This was so for perfectly good reasons — no one had any interest in experimenting on children (or on teachers) in earnest, because the business of education was considered too serious to toy with. An experimenter or demonstrator, then, had first to convince himself that the experiment was likely to turn out favorably and then convince his subjects of the same thing. The salient example in this case is the Alum Rock Education Voucher Demonstration Project launched in the early 1970s.

A relief to opponents and a disappointment to voucher supporters, the Alum Rock project was "doomed to succeed." That it did, in important ways. That is, there were no real losers in the project, neither teachers nor students. It emerged as a truncated and benign test of an all-public-school voucher concept.²² What it did reveal, however, was the administrative ease of operating a

voucher system. Not surprisingly, at least in retrospect, an all-public-school voucher system for elementary education is no harder to operate than the existing school financing system. It is only different.

Analogous Practices

Food stamps, the G.I. Bill, the social security system — each of these is a program for which eligibility is established according to set criteria, and resources are made available to the recipient, usually by means of a paper transaction. The paper check for social security is transformed into cash at the bank, food stamps are redeemed for food, and G.I. Bill benefits support the student while he or she is enrolled in an accredited institution.

Vouchers for elementary and secondary children would not be functionally different. The only problem of consequence is student mobility, a problem of great magnitude in some school systems and for some children. For example, 100 percent turnover per year is not unknown in school districts that serve highly mobile children, such as members of migrant farm labor families. But that problem too has a straightforward solution. Modern computer and telecommunications technology makes it possible to automate fund transfers for even the most mobile student any place in the state. Indeed, if a school's income is contingent upon identifying a child with a voucher, the incentive to seek reimbursement is quite high.

Administrative Feedback

Administrative dimensions, of course, feed back into the system, influencing the type of voucher system we might want to adopt. In this case, it further strengthens the case for an all-public voucher system. Early in this essay, I observed that voucher systems are administrative devices to secure other, more important ends. I also observed that administrative devices are not "neutral." Indeed they are not, as subsequent analysis has revealed. The problem is that administrative devices interact with both practice and law. Thus, the simplest voucher arrangement — a system in which the school in which the child is enrolled attests to his attendance and then is reimbursed by the state — might not survive judicial scrutiny if the school in question is religiously affiliated. That is, it might not survive the "excessive entanglement" test.

But in the case of an all-public-school voucher system, no such

barrier exists; it would be found both politically and legally acceptable. And there is no great mystery as to how it would work — the school of attendance would, as it does today, attest to the student's enrollment, and on that basis would earn its state, local, and federal income. No legal issues would arise, no intractable administrative problems would ensue.

Even the question of student mobility can be handled on as fine-grained a basis as public officials think useful and appropriate. It poses no insurmountable difficulty. For example, in the Alum Rock Project, each student was budgeted according to the precise number of days in attendance at a given school. Thus, a student who transferred on the sixtieth day of a 180-day school year would have in his "account" 120 days' credit, which would be transferred to the new school.

Role of the State

If the logic of events and the logic of administration both lead to an all-public-school voucher system, what remains to be done? The first step is to complete the transformation of school financing by eliminating the last vestiges of direct property tax support, at least at the local level. (The state could continue to levy and collect property taxes for education, but they would become a part of the general fund from which education funds would be drawn.) Having accomplished this, the state board of education should be vested with the power appropriate to a statewide system of education, but the board's responsibilities should be clearly limited to identifying broad goals and outcomes for the schools, including such things as statewide testing and measurement. Indeed, in a rational world, the state would identify measurable outcomes of schooling — test scores in subject-matter areas — and leave it to local schools to achieve those objectives as they see fit. Replacing traditional quantity measures — number of books in the library, number of hours of study in a particular course, number of minutes in the school day — with measures of academic achievement (not ability) would finally rationalize both the task of the school and the role of the state.

For example, outcome measures would permit schools to escape rigid student-faculty ratio requirements; individual schools could provide small classes where appropriate and large lectures where appropriate. Similarly, schools could eliminate the arbitrary practice

of age-grouping and begin to group children by achievement levels. As well, courses could be designed around student mastery; instead of sixteen- or eighteen-week semesters, subject-matter instruction would be provided until a specified level of mastery was achieved.

Tradition of Reform

The reasons for proposing an all-public-school voucher system at this time are several, but among the most important is the long tradition of American education reform. It is typically incremental and additive, not radical. And while many observers would regard an all-public-school voucher system as radical, it flows logically from the trends and activities this essay has identified. Rationalizing and equalizing school finance — in particular, the complete assumption of education costs at the state level — leads logically to the free movement of students among schools and the dissolution of existing districts. Indeed, it permits parents, children, and schools to escape the legacy of arbitrary neighborhood assignment of students and encourages schools to design their curricular offerings and pedagogical style in ways that are consistent with their interests and capacities. For too long, public schools have tried to be all things to all people. In so doing, they lose whatever opportunity they might otherwise have to develop distinctive personalities, to do well those things that they are well-suited to do.

In conclusion, then, an all-public-school voucher system offers no great administrative or financial challenge. We currently possess the requisite technology to implement the policy decisions embodied in an all-public-school voucher system. It raises no legal or procedural issues either, so long as the civil rights of all children are respected.

There is one final note that might make an all-public-school voucher system attractive to traditional liberal opponents of vouchers. It should at least make them take stock, because it raises for the first time the realistic possibility of meaningful racial integration on a large scale. The most pervasive barrier to continued racial integration today is residential segregation — *de jure* segregation is largely a thing of the past. But there is no likelihood of widespread court-ordered metropolitan remedies, given that municipal boundaries were not deliberately constructed to cause racial isolation in the schools. An all-public-school voucher system would eliminate historic (and arbitrary) school boundaries, paving the way for significant and lasting racial integration.

ENDNOTES

¹ The standard contemporary literature on education vouchers begins with Milton Friedman, *Capitalism and Freedom*, particularly chapter VI (*Capitalism and Freedom*, Chicago: University of Chicago Press, 1962). See also, Christopher Jencks, et al., *Education Vouchers*, Center for the Study of Public Policy, Cambridge, Mass.; and John Coons and Stephen Sugarman, *Family Choice in Education*, (Berkeley, Calif.: University of California Press, 1982). Most analysts cite Adam Smith in *The Wealth of Nations* as the first modern source of the voucher idea, with John Stuart Mill, *On Liberty* (cited later in the narrative) as its most persuasive spokesman. The occasional literature on vouchers is very extensive. One bibliography runs to seven pages (typeset), with dozens of entries. See Denis P. Doyle, *The Question of Standards*, Washington, D.C.: The American Enterprise Institute, 1982.

² Coons and Sugarman, *Ibid*, p. 68.

³ John Stuart Mill, quoted in Stephen Arons' *Compelling Belief*, New York: McGraw-Hill Book Co., 1983, p. 195.

⁴ Simon Bolivar, Address to the Congress of Angostura.

⁵ See Endnote 1.

⁶ *Ibid*.

⁷ For a more complete discussion of this idea see, Denis P. Doyle, "The View from the Bridge," in *Parents, Teachers and Children*, San Francisco, Calif.: The Institute for Contemporary Studies.

⁸ See Endnote 1.

⁹ It is noteworthy that Coons and Sugarman have done the most important conceptual work in the school finance field as well as some of the most important work in vouchers. Their early school finance contributions played an important role in influencing the thinking of the California Supreme Court in its *Serrano* decision (*Serrano v. Priest*). One of the remedies enumerated by the Court was a statewide voucher system.

¹⁰ There are other voucher systems, but they are basically permutations of the three described here. The reader who cares to explore this terrain more completely should see the original Jencks book, *Education Vouchers*, which contains the most complete and

comprehensive description and comparison of voucher systems available.

¹¹ For a reasonably complete description and analysis of the nation's private schools, see Denis P. Doyle, "A Din of Inequity? Private Schools Reconsidered," *Teachers College Record*, 82, no. 4:661-674.

¹² For a more complete discussion of the differences between education vouchers and tuition tax credits, see Denis P. Doyle, "Private Interests and the Public Good: Tuition Tax Credits and Education Vouchers," *College Board Review*, no. 130 (Winter 1983-84), pp. 6-11.

¹³ *Pierce v. Society of Sisters*, U.S. Supreme Court, 1926.

¹⁴ *Ibid.*

¹⁵ Public aid for private schools was a common practice in the early 19th century. The most widely known program was the Lowell Plan, which provided public funds for what were euphemistically described as "Irish Schools." The practice was discontinued by state legislatures, as Protestant dominations became more complete and anti-Catholic sentiment more fully developed.

A serious attempt to make such aid unconstitutional was launched by Speaker of the House James J. Blaine, a confidant of President Grant, who hoped to outlaw — by constitutional amendment — aid to religious schools. The Blaine Amendment failed at the federal level, but many states adopted Blaine Amendments. The issue is important because there was a presumption of constitutionality for such aid until the late 1940s when the Supreme Court ruled against such aid schemes.

As most legal scholars are quick to admit, one of the most enduring practices of the Court is to reverse itself. Thus, the recent *Mueller v. Allen* decision, finding Minnesota's system of tax deductions for education legal, may set the stage for a new round of Court interpretations.

¹⁶ The United States is the only industrialized democracy that does not have a well-developed system of public aid to children who attend private school. For a more complete description, see Denis P. Doyle and Bruce Cooper, entry in the *International Encyclopedia of Education*, and Denis P. Doyle, "Family Choice in Education: The Case of Denmark, Holland, and Australia," unpublished paper,

Washington, D.C.: American Enterprise Institute. (Prepared under the terms of a contract with the National Institute of Education.)

¹⁷ Interestingly, a limited model could be designed that would probably pass Court muster, and that would be one limited to "compensatory vouchers." In this case, every poor child — or whatever category is designated as needing compensatory services — could be given a compensatory voucher worth several hundred dollars. In turn, the child could carry the voucher to the school of choice, public or private, where it would be redeemed. In the public sector it would be in addition to the amount already available for the child's education; in the private sector it could be treated as partial payment of tuition. This low-cost voucher would meet the child benefit test and would presumably pass the entanglement test. Its shortcoming is the small size of the voucher: it helps the poor most in public schools, least in private schools. For additional discussion of this idea, see Denis P. Doyle, "Let Title I Fund Pupils Rather Than Schools," *Wall Street Journal*, October 4, 1983 and Doyle, "Public Funding and Private Schooling: The State of Descriptive and Analytic Research," *Private Schools and the Public Good: Alternatives for the Eighties*, Edward McGlynn Gaffney, ed. (Notre Dame, Indiana: University of Notre Dame, 1981).

¹⁸ When the Serrano decision was handed down, the Court was moved to note possible remedies to demonstrate to the legislature and people of California that a solution was within reach. The pertinent language reads:

There exist several alternative potential methods of financing the public school system of this state which would not produce wealth-related spending disparities. These alternative methods, which are "workable, practical and feasible," include: "(1) full state funding, with the imposition of a statewide property tax; (2) consolidation of the present 1,067 school districts into about five hundred districts, with boundary realignments to equalize assessed valuations of real property among all school districts; (3) retention of the present school district boundaries but the removal of commercial and industrial property from local taxation for school purposes and taxation of such property at the state level; (4) school district power equalizing[,] which has as its essential ingredient the concept that school districts could choose to spend at different levels but for each level of

expenditure chosen the tax effort would be the same for each school district choosing such level whether it be a high-wealth district; (5) vouchers; and (6) some combination of two or more of the above."

This idea is more fully developed in a paper prepared for NIE's Family Choice series. It is available from the American Enterprise Institute. See Denis P. Doyle and Chester E. Finn, Jr., "Family Choice in Education" (prepared under the terms of a contract with the National Institute of Education, Washington, D.C.)

¹⁹ Proposition 13 is not the sole reason for the shift to state centralization; it is simply the most dramatic and visible. The National Center for Education Statistics reports that by 1980 more than half the funds raised to support elementary and secondary education was raised by states, not localities. This is part of a longer-term national trend to support social services with broadly based taxes on sales, use, and income, rather than property. California is noteworthy because the future arrives early there.

²⁰ For a more complete description of this phenomenon, see Denis P. Doyle and Chester E. Finn, Jr. "After Local Control, What?," *The Public Interest*, forthcoming. Those who doubt the strength of these centralizing trends should cast their minds back to the immediate post-Proposition 13 week. The Governor's first act in response to its passage was a statewide freeze of teachers' salaries.

²¹ Coons and Sugarman, *ibid.*, p. 49.

²² See Endnote 7.